

GREENBAY PROPERTIES LTD

(Incorporated in the Republic of Mauritius on 14 August 2014)

(Registration number C124756 C1/GBL)

SEM share code: GFP.N0000

JSE share code: GRP

ISIN: MU0461N00007

("Greenbay" or "the company")



RETURN OF CAPITAL TO GREENBAY SHAREHOLDERS

1. INVESTMENT STRATEGY AND RETURN OF SURPLUS CAPITAL TO SHAREHOLDERS

In the company's interim financial statements for the three and nine months ended 30 June 2018, released on SENS and published on the SEM website on 8 August 2018, Greenbay confirmed that direct and indirect property holdings will constitute the majority of the company's investments.

Following this determination the board has evaluated its capital requirements and the company's strategies in respect of investments in listed equities.

On an assessment of the market opportunities and risks relating to its equity strategies, the board has determined to realise its profits on listed equities and reduce its gearing.

The company continues to evaluate opportunities for direct property investments and is currently in advanced negotiations regarding possible direct retail property opportunities.

In these market conditions, and taking into account the current pipeline of direct property opportunities, the board has determined that the company has capital surplus to its requirements in the next 12 months and has resolved to return such surplus capital to shareholders in an efficient manner.

After considering a proposal for a *pro rata* share repurchase of up to 30% of its shares in issue, Greenbay has determined that a simpler and more efficient mechanism to return surplus capital would be by way of a *pro rata* capital payment to shareholders.

Accordingly, Greenbay intends to make a capital payment of EUR300 million to Greenbay shareholders by way of a return of capital of 3,16185 Euro cents for every Greenbay share held on Friday, 12 October 2018 (the "record date") (the "return of capital"). Shareholders should note that the company's current repurchase programme will remain in place.

The Greenbay board proposes a consolidation of the company's issued shares. A circular to shareholders in this regard is in the process of being prepared and will be distributed in due course.

2. SALIENT DATES AND TIMES

2.1 Shareholders on the South African register

	2018
Finalisation announcement, including the EUR to ZAR exchange rate, in respect of the return of capital published on SENS (by 11:00)	Tuesday, 2 October
Last day to trade in Greenbay shares in order to receive the return of capital	Tuesday, 9 October
Trading in Greenbay shares 'ex' the entitlement to receive the return of capital	Wednesday, 10 October
Record date for the return of capital	Friday, 12 October
Payment of return of capital	Monday, 15 October

Notes:

1. The above dates and times are South African dates and times and are subject to amendment. Any such amendment will be released on SENS.

2. Transfers of shares between sub-registers in South Africa and Mauritius may not take place between Tuesday, 2 October 2018 and Friday, 12 October 2018, both days inclusive.
3. Greenbay shares may not be dematerialised or rematerialised between Wednesday, 10 October 2018 and Friday, 12 October 2018, both days inclusive.
4. Shareholders who hold their Greenbay shares on the South African share register will receive the return of capital in South African Rand, based on the exchange rate to be announced by Greenbay on 2 October 2018.

2.2 Shareholders on the Mauritian register

	2018
Finalisation announcement, including the EUR to ZAR exchange rate, in respect of the return of capital published on the SEM website (by 13:00)	Tuesday, 2 October
Last day to trade in Greenbay shares in order to receive the return of capital	Tuesday, 9 October
Trading in Greenbay shares 'ex' the entitlement to receive the return of capital	Wednesday, 10 October
Record date for the return of capital	Friday, 12 October
Payment of return of capital	Monday, 15 October

Notes:

1. The above dates and times are Mauritian dates and times and are subject to amendment. Any such amendment will be published on the SEM website.
2. Transfers of shares between sub-registers in South Africa and Mauritius may not take place between Tuesday, 2 October 2018 and Friday, 12 October 2018, both days inclusive.
3. Greenbay shares may not be dematerialised or rematerialised between Wednesday, 10 October 2018 and Friday, 12 October 2018, both days inclusive.
4. Shareholders who hold their Greenbay shares on the Mauritian share register will receive the return of capital in Euro.

3. IMPLEMENTATION OF THE RETURN OF CAPITAL

Pursuant to the return of capital, Greenbay shareholders will receive 3,16185 Euro cents for every one Greenbay share held on the record date.

Shareholders who hold their Greenbay shares on the South African share register will receive the return of capital in Rands, based on the EUR to ZAR exchange rate announced on SENS on Tuesday, 2 October 2018. Shareholders who hold their Greenbay shares on the Mauritian share register will receive the return of capital in Euro.

The return of capital is conditional, to the extent required, upon Greenbay obtaining:

- exchange control approval for the return of capital; and
- approval from other regulators required to effect the return of capital.

These fulfilment of these conditions is required before the release of the finalisation announcement on SENS and published on the SEM website.

The return of capital is not subject to shareholder approval or further regulatory approvals.

4. TAX IMPLICATIONS

4.1 South Africa

The statements in this section relate only to certain limited aspects of the South African taxation of the return of capital by Greenbay. Shareholders should note that the summary is a general guide to the South African tax regime currently in place and is not exhaustive. Greenbay shareholders are advised to consult their professional advisors regarding the tax consequences of the return of capital. This section does not constitute advice and applies only to South African tax resident shareholders who are the beneficial owners of the shares and relevant distributions and applies only in relation to shares that are listed on the JSE.

In respect of South African tax resident shareholders (“**resident shareholders**”) the return of capital will constitute an amount paid by Greenbay in respect of a share in Greenbay and that amount is treated for Mauritian income tax purposes as a distribution or similar payment (other than an amount that constitutes a dividend or similar payment) and will as such constitute a “foreign return of capital” as defined in section 1 of the South African Income Tax Act., No. 58 of 1962 (the “**SA Income Tax Act**”).

In terms of paragraph 76B of the Eighth Schedule to the SA Income Tax Act such shareholders will be required to reduce the base cost of their Greenbay shares with the amount of the foreign return of capital (being 3,16185 Euro cents per Greenbay share). If the amount of the foreign return of capital exceeds the base cost of the Greenbay shares in the hands of the resident shareholder, the excess will constitute a capital gain in the hands of the shareholder and the shareholder must account for capital gains tax on such capital gain, unless the shareholder can rely on a capital gains tax exemption. In terms of paragraph 64B(4) of the Eighth Schedule to the SA Income Tax Act, a shareholder that holds at least 10% of the shares and voting rights in Greenbay (whether alone or together with any other person forming part of the same group of companies as the shareholder) must disregard any capital gain in respect of the foreign return of capital – such a shareholder is accordingly effectively exempt from capital gains tax in respect of the foreign return of capital.

Shareholders with an exempt tax status should consider whether the capital gains tax exemptions applicable to them will extend to exempt a capital gain made in respect of the foreign return of capital.

A foreign return of capital is not subject to dividends tax.

Non-South African tax resident shareholders should only be subject to South African tax in respect of the return of capital if they have a permanent establishment in South Africa in which case they should seek professional advice.

4.2 **Mauritius**

The return of capital may have tax implications for shareholders holding Greenbay shares on the Mauritian share register. Shareholders who hold their Greenbay shares on the Mauritian share register are advised to consult their professional advisors regarding the tax consequences, if any, of the return of capital should they be in any doubt as to the appropriate action to take.

5. **SOUTH AFRICAN EXCHANGE CONTROL REGULATIONS**

The following is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act, 1933, as amended (“**Exchange Control Regulations**”), and is applicable to shareholders holding shares traded on the JSE only.

All aspects relating to the Exchange Control Regulations will be managed by a shareholder’s CSDP or broker. Shareholders who are in any doubt as to the appropriate course of action to take should consult their CSDP, broker or other professional advisors.

The return of capital payable to an emigrant from the Common Monetary Area will be forwarded to the authorised dealer in foreign exchange controlling the emigrant’s remaining South African assets for credit to the emigrant’s blocked accounts.

Payments to non-residents are freely transferable from South Africa.

The Company has primary listings on both the Official Market of the SEM and the Main Board of the JSE.

7 September 2018

By order of the Board

This notice is issued pursuant to SEM Listing Rule 11.3 and Rule 5(1) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board accepts full responsibility for the accuracy of the information in this announcement.

For further information please contact:

JSE sponsor

JAVACAPITAL

Tel: +27 11 722 3050

**SEM authorised representative
and sponsor**

Perigeum
Capital

Tel: +230 402 0890

Company Secretary

 **itl**
Intercontinental Trust Ltd

Tel: +230 403 0800